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*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
:
-----X

**THIRTEENTH CONSOLIDATED MONTHLY FEE STATEMENT
OF YOUNG CONAWAY STARGATT & TAYLOR, LLP FOR COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
AS CONFLICTS COUNSEL FOR THE DEBTORS FOR THE PERIOD
FROM NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Name of Applicant:	Young Conaway Stargatt & Taylor, LLP
Authorized to Provide Professional Services to:	Conflicts Counsel for the Debtors
Date of Retention:	November 13, 2018, <i>nunc pro tunc</i> to October 15, 2018
Period for which compensation and reimbursement is sought:	November 1, 2019 through December 31, 2019
Monthly Fees Incurred:	\$7,246.50
20% Holdback:	\$16.50
Compensation Less 20% Holdback:	\$5,797.20
Monthly Expenses Incurred:	\$16.50
Total Fees and Expenses Due:	\$5,813.70
This is a: <u> X </u> monthly <u> </u> interim <u> </u> final application	

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”),² Young Conaway Stargatt & Taylor, LLP (“Young Conaway”) hereby submits this consolidated thirteenth monthly fee statement (the “Monthly Fee Statement”), seeking compensation for services rendered and reimbursement of expenses incurred as conflicts counsel to the Debtors for the period from November 1, 2019 through December 31, 2019 (the “Monthly Fee Period”). By this Monthly Fee Statement, Young Conaway seeks payment in the amount of \$5,813.70 which is comprised of (i) \$5,797.20 which represents eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Monthly Fee Period, and (ii) reimbursement of \$16.50, which represents one hundred percent (100%) of actual and necessary expenses incurred in connection with such services.

² Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

Services Rendered and Expenses Incurred

1. Attached as Exhibit A is a summary of Young Conaway's professionals by individual, setting forth the (i) name, title, and department of each individual who provided services in connection with the Chapter 11 Cases during the Monthly Fee Period, (ii) aggregate hours spent by each individual, (iii) hourly billing rate for each such individual at Young Conaway's billing rates during the Monthly Fee Period, (iv) amount of fees earned by each Young Conaway professional, and (v) the number of years in practice for each attorney. The blended hourly billing rate of Young Conaway attorneys during the Monthly Fee Period is approximately **\$668.22**. The blended hourly rate of paralegals and other non-legal staff during the Monthly Fee Period is approximately **\$295.00**.

2. Attached as Exhibit B is a summary of the services rendered and compensation sought, by project category, for the Monthly Fee Period.

3. Attached as Exhibit C is a summary of expenses incurred and reimbursement sought, by expense type, for the Monthly Fee Period.

4. Attached as Exhibit D is itemized time detail of Young Conaway professionals for the Monthly Fee Period and summary materials related thereto. The description of the work done by counsel in the time detail may have been edited to protect the confidential and privileged nature of the work completed.

Notice and Objection Procedures

5. Notice of this Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email:

ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) Paul E. Harner, Ballard Spahr LLP, the independent fee examiner, 1675 Broadway 19th Floor, New York, NY 10019 (email: harnerp@ballardspahr.com); (v) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (vi) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

Objections to this Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **February 18, 2020** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

If no Objections to this Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an Objection to this Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Monthly Fee Statement to which the Objection is directed and promptly pay the remainder of the fees and disbursements in

the percentages set forth above. To the extent such an Objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: January 31, 2020

/s/ Pauline K. Morgan

YOUNG CONAWAY STARGATT & TAYLOR, LLP
1270 Avenue of the Americas, Suite 2201
New York, New York 10020
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Ryan M. Bartley
Travis Buchanan

*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

Exhibit A

Compensation by Professional

**SUMMARY OF MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP FOR
SERVICES RENDERED FOR THE PERIOD
FROM NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019**

Name of Partners and Counsel	Title	Department	Date of First Admission	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Pauline K. Morgan	Partner	Bankruptcy	1987	975.00	1.40	1,365.00
Craig D. Gear	Partner	Business Planning	1996	975.00	1.40	1,365.00
Total Partners and Counsel:					2.80	2,730.00

Name of Associates	Title	Department	Date of First Admission	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Travis G. Buchanan	Associate	Bankruptcy	2011	530.00	1.00	530.00
Jared W. Kochenash	Associate	Bankruptcy	2018	325.00	2.10	682.50
Total Associates:					3.10	1,212.50

Name of Paralegals and Other Non-Legal Staff	Title	Department	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Brenda Walters	Paralegal	Bankruptcy	295.00	11.20	3,304.00
Total Paralegals:				11.20	3,304.00

PROFESSIONALS	BLENDED RATE (\$)	TOTAL BILLED HOURS	TOTAL COMPENSATION (\$)
Partners	975.00	2.80	2,730.00
Associates	391.12	3.10	1,212.50
Paralegals/Non-Legal Staff	295.00	11.20	3,304.00
Total Fees Incurred:		17.10	7,246.50

Exhibit B

Compensation by Task Code

**AGGREGATE TIME SUMMARY BY TASK CODE
FOR THE PERIOD FROM NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019**

Project Category	Total Hours	Total Fees (\$)
General Corporate Matters (B014)	1.60	1,560.00
Retention of Professionals/Fee Issues (B012)	.60	224.00
Fee Application Preparation (B018)	14.90	5,462.50
TOTAL	17.10	7,246.50

Exhibit C

Expense Summary

**AGGREGATE ITEMIZED DISBURSEMENTS
FOR THE PERIOD FROM NOVEMBER 1, 2019 THROUGH DECEMBER 31, 2019**

Expenses Category	Total Expenses (\$)
Reproduction Charges	16.50
TOTAL	16.50

Exhibit D

Time Detail

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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1000 NORTH KING STREET
WILMINGTON, DELAWARE 19801

P.O. BOX 391
WILMINGTON, DELAWARE 19899-0391

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(302) 571-6707

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pmorgan@ycst.com

Sears Holdings Corporation
333 Beverly Rd
c/o Alan Carr, Director
Hoffman Estates, IL 60178

Invoice Date: January 14, 2020
Invoice Number: 50012115
Matter Number: 072902.1003

Re: Debtor Representation
For Billing Period through December 31, 2019

CURRENT INVOICE

Professional Services	\$	7,246.50
Disbursements	\$	<u>16.50</u>
Total Due This Invoice	\$	7,263.00

Sears Holdings Corporation
For Billing Period through December 31, 2019

Invoice Date: January 14, 2020
Invoice Number: 50012115
Matter Number: 072902.1003

Time Detail

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>	<u>Amount</u>
11/20/19	PMORG	Review email from K. Descovich re: corporate governance issues	B014	0.10	97.50
11/21/19	CGREA	Review and analyze LLC Agreement of KCD IP, LLC	B014	0.50	487.50
11/21/19	CGREA	Review and analyze options for replacement of member and managers	B014	0.60	585.00
11/21/19	CGREA	Email from K. Descovich re: member withdrawal issues with respect to KCD IP, LLC	B014	0.10	97.50
11/21/19	CGREA	Email to K. Descovich re: replacement of member and managers	B014	0.20	195.00
11/21/19	PMORG	Review Correspondence from C. Grear re: response to corporate governance issues raised by Weil	B014	0.10	97.50
12/03/19	BWALT	Email from/to P. Morgan re: interim fee applications	B017	0.10	29.50
12/27/19	TBUCH	Review notice of fee hearing	B017	0.20	106.00
12/30/19	BWALT	Read emails from P. Morgan, R. Bartley re: draft notice of fee hearing on Jan 28; review notice, and calendar date	B017	0.30	88.50
12/03/19	PMORG	Emails with T. Li and B. Walters re: interim fee application	B018	0.10	97.50
12/11/19	BWALT	Prepare YCST twelfth monthly fee application (consolidated September and October) (1.50); correspondence with P. Morgan, and T. Lii; finalize fee application and coordinate with Paul Weiss filing and service of same (.3)	B018	1.80	531.00
12/11/19	BWALT	Draft YCST third interim fee application	B018	1.00	295.00
12/11/19	JKOCH	Review Young Conaway monthly fee application	B018	0.20	65.00
12/11/19	PMORG	Review YCST fee statement	B018	0.10	97.50
12/12/19	BWALT	Draft YCST's third interim fee application and communications with J. Kochenash, and P. Morgan re: same	B018	4.50	1,327.50
12/12/19	PMORG	Review and revise draft quarterly fee application (.4); call and emails with B. Walters re: revisions to same (.2)	B018	0.60	585.00

Sears Holdings Corporation

Invoice Date:

January 14, 2020

For Billing Period through December 31, 2019

Invoice Number:

50012115

Matter Number:

072902.1003

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>	<u>Amount</u>
12/14/19	JKOCH	Review third interim fee application	B018	1.80	585.00
12/15/19	JKOCH	Email B. Walters re: third interim fee application	B018	0.10	32.50
12/16/19	BWALT	Revise and finalize YCST's third interim fee application, including communications with T. Buchanan, and P. Morgan; and finalize and coordinate with Paul Weiss re: filing and service of same	B018	3.50	1,032.50
12/16/19	PMORG	Review/finalize quarterly fee application for filing	B018	0.30	292.50
12/16/19	TBUCH	Review and revise third interim fee application	B018	0.80	424.00
12/27/19	PMORG	Review draft notice of fee hearing; emails with R. Bartley re: same	B018	0.10	97.50
Total				17.10	\$7,246.50

Sears Holdings Corporation

Invoice Date:

January 14, 2020

For Billing Period through December 31, 2019

Invoice Number:

50012115

Matter Number:

072902.1003

Timekeeper Summary

<u>Initials</u>	<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
BWALT	Brenda Walters	Paralegal	11.20	295.00	3,304.00
CGREA	Craig D. Gear	Partner	1.40	975.00	1,365.00
JKOCH	Jared W. Kochenash	Associate	2.10	325.00	682.50
PMORG	Pauline K. Morgan	Partner	1.40	975.00	1,365.00
TBUCH	Travis G. Buchanan	Associate	1.00	530.00	530.00
Total			17.10		\$7,246.50

Sears Holdings Corporation
For Billing Period through December 31, 2019

Invoice Date: January 14, 2020
Invoice Number: 50012115
Matter Number: 072902.1003

Task Summary**Task Code:B014****General Corporate Matters**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Craig D. Gear	Partner	1.40	975.00	1,365.00
Pauline K. Morgan	Partner	0.20	975.00	195.00
Total		1.60		1,560.00

Task Code:B017**Retention of Professionals/Fee Issues**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Travis G. Buchanan	Associate	0.20	530.00	106.00
Brenda Walters	Paralegal	0.40	295.00	118.00
Total		0.60		224.00

Task Code:B018**Fee Application Preparation**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	1.20	975.00	1,170.00
Jared W. Kochenash	Associate	2.10	325.00	682.50
Travis G. Buchanan	Associate	0.80	530.00	424.00
Brenda Walters	Paralegal	10.80	295.00	3,186.00
Total		14.90		5,462.50

Sears Holdings Corporation

Invoice Date:

January 14, 2020

For Billing Period through December 31, 2019

Invoice Number:

50012115

Matter Number:

072902.1003

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Amount</u>
11/26/19	Reproduction Charges	8.00	0.80
12/09/19	Reproduction Charges	86.00	8.60
12/11/19	Reproduction Charges	27.00	2.70
12/16/19	Reproduction Charges	44.00	4.40
Total			\$16.50

Sears Holdings Corporation

Invoice Date:

January 14, 2020

For Billing Period through December 31, 2019

Invoice Number:

50012115

Matter Number:

072902.1003

Cost Summary

<u>Description</u>	<u>Amount</u>
Reproduction Charges	16.50
Total	\$16.50